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Netflix CEO Reed Hastings has said he sees the future of broadcast TV — and that it lasts only another 16 years.

So the head of the 53.1 million-subscriber video streamer will hold a summit in Utah later this week about the future of streaming TV — and has invited a who's who of the programming and tech worlds. While the Los Gatos, Calif., outfit is tight-lipped about the confab, talk is expected to focus on building the streaming business, rights acquisition and original programming. The meeting comes as regulators wrestle with new net neutrality rules. "It is a one-day discussion on the future of Internet TV, bringing together our friends from the entertainment and technology industries," Netflix told The Post. The company refused to elaborate.

Insiders are likening it to Google's Zeitgeist, which features intimate gatherings with top global thinkers. Surprisingly, Netflix is welcoming its rivals in all corners of the streaming world — from HBO and Apple to Amazon, Sony and Samsung. Netflix has reached out to Amazon's Jeff Bezos, video czar Bill Carr and Hulu boss Mike Hopkins. Netflix is also embracing the tech crowd with the likes of Facebook's Mark Zuckerberg and Sheryl Sandberg showing up on the invite list, alongside Twitter's Dick Costolo and Yahoo!'s Marissa Mayer. Whether they'll show is a different matter.

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HBO boss Richard Plepler — frequently at odds with Hastings and who plans to unleash an over-the-top version of the premium network in 2015 — has begged off, citing prior commitments. Likewise, invitee CBS boss Leslie Moonves has sent his regrets, The Post has learned. It's not surprising that Hastings has been bashing free TV — or that he would hold himself out as a senior mover and shaker in the streaming sector. "It's kind of like the horse, you know. The horse was good until we had the car," **Hastings told the *Hollywood Reporter* last month.** "The age of broadcast TV will probably last until 2030." Chris Albrecht, the former HBO boss now running Starz, has also been invited.

Speaking Tuesday at the UBS media conference, Albrecht said programmers were dumb to sell to Netflix. Discovery chief David Zaslav and Oprah Winfrey, are believed to be attending as is Lionsgate's vice chairman,

Michael Burns. — *New York Post*

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Two of the nation's largest pay-TV operators, Comcast Corp. and Verizon Communications Inc., are marketing slimmed-down, low-cost TV bundles to young adults who might only be interested in Internet-delivered entertainment - the so-called cord-cutters.

The double-play product offerings, or Internet and TV services, are part of the ferment in the pay-TV industry as YouTube, Netflix, and other Internet-delivered entertainment gain footholds with Internet-savvy millennials. Premium-network HBO and broadcast network CBS Corp. recently announced plans to offer their shows directly to consumers over the Internet - over-the-top, fee-based products that could threaten or cannibalize pay-TV distributors.

People who purchase just the Internet and not a pay-TV service are called cord-cutters. The number of cord-cutters is expected to more than double to 16 million TV households in 2018 from 6.5 million households this year, according to research firm Magna Global. But Comcast and Verizon say they can stay relevant by offering stripped-down TV packages to Internet-leaning millennials, or young adults in their 20s, and then broaden their TV relationships with them when they are in their 30s and 40s.

They also say this package of Internet and a smaller TV bundle will be less expensive than a consumer's purchasing an Internet service and then individually adding services such as CBS and HBO. Verizon recently launched FiOS Quantum Internet Service, which includes broadband service, local TV stations, HBO or Showtime, and a free year of Netflix for \$59.99 a month, plus taxes and fees. The Internet speed is 50 megabits. "What we saw was a need for people who valued the Internet and wanted some TV but did not value the entire video proposition," John Harrobin, chief marketing officer for Verizon's wireline and consumer mass business unit, said in a recent interview. A typical pay-TV package could cost \$80 a month by itself.

Harrobin said that subscribers for FiOS Quantum Internet Service skew toward young adults, and those living in apartments and condos in cities. "What we have seen is that this is not our main seller, but we are seeing some success with it," he said. Harrobin and other industry experts say the classic cable-TV package may be a "life-stage product" and that millennials will purchase it as they grow older. Comcast offers two products of "skinny bundles" aimed at younger adults - University Xfinity on Campus and Internet Plus.

Matt Strauss, senior vice president and general manager of Comcast video services, said the idea was to grab college students and younger adults and expose them to the TV ecosystem. Those young adults now are "high-speed data customers first and video second," Strauss said. The Xfinity on Campus is included with room and board on selected colleges, including Drexel University, in Comcast's cable territory. This enables college students to watch streamed TV on laptops, tablets, and mobile phones. Internet Plus, a double-play product, costs \$44.99 a month and comes with the Internet, HBO and Streampix, and 10 TV channels. The Internet speed is 25 megabits per second. The question, said Strauss, is "how do we build relationships with these [customer] segments earlier?" – *Philadelphia Inquirer*

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Time Warner Inc.'s HBO plans to team up with MLB Advanced Media for the rollout of its stand-alone streaming service next year, signaling that the premium cable channel is looking for some outside help on the ambitious effort. The changes prompted the departure of HBO's chief technology officer, Otto Berkes, a former Microsoft Corp. executive and co-founder of Xbox, according to a memo Mr. Berkes sent to HBO staff on Tuesday.

The partnering with MLB Advanced Media essentially means the end of HBO's internal effort to build a stand-alone online streaming product, code-named "Project Maui." That project would have required hiring several hundred engineers to build out the service, a

strategy favored by some at the company. HBO Chief Executive Richard Plepler said "Project Maui" was only one of several options considered for its "over the top" streaming service. "The option we chose instead was to enlist a highly skilled partner in MLBAM who we are confident can help achieve our goal of a robust stand-alone HBO streaming service," he said. "That certainly doesn't diminish the terrific work done by our technology team." Fortune earlier reported plans of the MLBAM tie-up.

According to internal memos announcing the move, HBO appeared to be aiming to roll out its stand-alone streaming product in April, concurrent with the return of the new season of its blockbuster hit, "Game of Thrones." Mr. Plepler declined to comment on that timing. Besides supporting Major League Baseball's digital offerings, MLBAM has become a specialist in helping big media companies stream their content online. The company is already supporting Web-streaming services for the likes of ESPN and World Wrestling Entertainment. An MLBAM representative didn't respond to a request for comment.

HBO relied on its own resources to develop HBO Go, the app that carries its programming to tablets and smartphones. It was widely viewed in the industry as a standard-setting product. But managing Web-based services online is tricky for media companies. Ensuring a high quality signal can be difficult, particularly at times of heavy traffic on the wider Internet. HBO has faced technology hiccups during highly anticipated TV events, such as this past season's premiere of "Game of Thrones" and the finale of "True Detective." Mr. Plepler said Mr. Berkes's team has largely fixed those problems. "Otto's team deserves enormous credit for resolving the hiccups that impacted HBO Go in the past," he said.

In a note to staff, Mr. Berkes mentioned HBO's decision to use an outside company to develop the streaming service. "This is a change in direction from what I planned with HBO and the approach will not utilize my overall capabilities," he said. "Therefore, I feel that this is the right time for me to move on from HBO so that I am able to fully pursue my passion building world-class technology teams, products, and businesses." – **Wall Street Journal**

Comcast Corp. said the part of its business that it expects to spin off as part of its deal to buy Time Warner Cable Inc. posted higher revenue and profit for the first nine months of the year. Revenue for the operations rose 3.4% to \$3.46 billion, while its profit increased slightly to \$484 million. Comcast, in a bid to ease regulatory concerns over its \$45 billion Time Warner Cable deal, agreed to spin off part of its business into a joint venture. Comcast shareholders would own 67% of the new company, while Charter Communications Inc. investors would hold the rest. The new company—which will offer video, Internet and voice services—is expected to be known as Greatland Connections Inc. after the deal is done. It would serve 11 states across the Southeast and Midwest. Comcast also planned to sell 1.4 million existing Time Warner Cable customers to Charter for about \$7.3 billion. Likewise, Charter and Comcast also plan to swap another 1.6 million Time Warner Cable customers and 1.6 million Charter customers. The deals represent a sort of consolation prize for Charter after Comcast's deal in February to buy Time Warner Cable ended its pursuit of the same company. – **Wall Street Journal**

While 21st Century Fox Inc.'s co-chief operating officer, James Murdoch, is enthusiastic about the dynamic future of television, he's not ready to give up on the established profit machines in the business. Appearing Tuesday morning at the 42nd annual Global Media and Communications Conference, Murdoch said he could envision his company's Fox channels distributed "over-the-top" to consumers via the Internet. But the advancement of that technology shouldn't come at the expense of disrupting traditional distribution over cable and satellite systems. "I don't think you have to choose between the two," Murdoch said.

The corporate will to remain in the over-the-air television business will be tested by the

federal government's game-changing plan to buy broadcast TV stations' spectrum to create more capacity for the rapidly growing mobile broadband business. Murdoch will watch how those spectrum auctions go before participating — which could mean taking TV stations off the air. "If it makes sense to broadcast over wires then we'll do it," he said. "But there are many unknowns." Murdoch added that the over-the-air local TV station business currently "is a good one for us right now. It's not just the NFL. It's local news. It's performing pretty well." Fox also uses its local stations to leverage retransmission consent fees from cable and satellite operators.

However, when upstart tech company Aereo sold broadcast channels in a package to subscribers, Fox was one of the loudest saber-rattlers threatening to pull its signal from the airwaves and become a cable-only channel if the courts did not deem the service illegal (a Supreme Court ruling effectively shut Aereo down). While Murdoch treads carefully when discussing the future, he's clear-eyed about the present challenges at 21st Century Fox. The company recently put its television studio co-chiefs, Gary Newman and Dana Walden, in charge of the Fox Television Group, which has experienced a prime-time ratings collapse over the last two seasons due to aging hits and a paucity of new show successes. "We have to give that time to bear fruit," he said.

Murdoch also asked for patience in the development of the national sports cable channel FoxSports1, launched in August 2013. While the channel has added bigger events, such as the Major League Baseball playoffs this past season, it has yet to become an automatic destination for TV sports fans that grew up with ESPN. "The challenge is not just the live programming," he said. "It's how you create habits." No question-and-answer session with the son of News Corp. Executive Chairman Rupert Murdoch — now 83 — can pass without a query about succession. James Murdoch did not dish beyond emphasizing that the company has "a deep and broad management team across the board," citing himself, co-Chief Operating Officer Chase Carey and Chief Financial Officer John Nallen. "We've got a lot of options," Murdoch said. — **Los Angeles Times**



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